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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/003,368	11/15/2001	James A. Cole	34171	4699
116	7590	07/19/2006	EXAMINER	
PEARNE & GORDON LLP			GRAHAM, CLEMENT B	
1801 EAST 9TH STREET			ART UNIT	
SUITE 1200			PAPER NUMBER	
CLEVELAND, OH 44114-3108			3628	

DATE MAILED: 07/19/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

10/003,368

Applicant(s)

COLE, JAMES A.

Examiner

Clement B. Graham

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 15 November 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-23 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-23 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## **DETAILED ACTION**

### **Claim Rejections - 35 USC § 102**

1. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

2. Claims 1-23, are rejected under 35 U.S.C. 102(e) as being anticipated by Lloyd 4, 876, 648.

As per claim 1, Lloyd discloses a method for processing a loan application by virtue of a computer system, where a real property is presented as collateral by the loan applicant, the method comprising steps of:

- (a) inputting the loan application into the computer system, the loan application containing the address of the real property(see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67)
- (b) providing the address of the property to an automated valuation model (AVM) system, the AVM system being capable of producing and returning valuation data for a real property in response to the provision of the address thereof(see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67)
- (c) receiving valuation data for the corresponding property from the AVM system;
- (d) determining a LoanCap for the corresponding property by applying a pre-determined lending policy to the valuation data and information provided in the loan application, the lending policy having been pre-set in the computer system; and
- (e) comparing a requested loan amount in the loan application to the LoanCap, wherein, when the requested loan amount is within the LoanCap, the loan application can be approved, and
- (f) wherein, after the step (a), the steps (b) to (e) are carried out

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automatically in the computer system. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 2, Lloyd discloses wherein the address of the property is provided to a plurality of AVM systems, each of which returns independent valuation data for the corresponding property. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 3, Lloyd discloses wherein the LoanCap determining step (d) includes steps of.

(a) determining a property ValueCap by using the valuation data and the information provided in the loan application; and

(b) determining a primary LoanCap by multiplying the property ValueCap by a pre-determined LTVCap (Loan-to-Value%Cap), the primary LoanCap being able to be used in the comparing step (e). (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 4, Lloyd discloses wherein the property ValueCap is determined as the least value among (a) a declared property value provided in the loan application, (b) a high value limit of property included in the valuation data provided by the AVM system, and (c) a preset value which is determined according to the lending policy. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 5, Lloyd discloses wherein the preset value is determined depending on the geographic area of the property. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 6, Lloyd discloses wherein the pre-determined LTVCap is determined as a preset maximum limit which is determined depending on the lending policy and the information provided in the loan application. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 7, Lloyd discloses wherein the predetermined LTVCap is determined as a conservative value through further consideration of each one or combinations of the following: (a) a transaction type provided in the loan application, (b) the geographic area of the property, (c) (see column 4 lines 46-64 and column 5 lines 30-67 and

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column 6-12 lines 1-67). a neighborhood sales activity included in the valuation data, (d) a neighborhood historical high sales price included in the valuation data, (e) (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67). a market variance included in the valuation data, or (f) a difference between a declared property value provided in the loan application and a property value included in the valuation data. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 8, Lloyd discloses wherein the LoanCap determining step (d) further includes a step of determining a worst case LoanCap by considering a possible default situation on the loan and associated net loss therewith, the worst case LoanCap being able to be used in the comparing step (e). (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 9, Lloyd discloses wherein the LoanCap determining step (c) further includes a step of determining a secondary LoanCap as the least value among the primary LoanCap and the worst-case LoanCap, the secondary LoanCap being used in the comparing step (e). (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 10, Lloyd discloses wherein the secondary LoanCap is determined as the least value among the primary LoanCap, the worst case LoanCap, and a preset maximum LoanCap which is determined according to the lending policy. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 11, Lloyd discloses where a real estate property is presented as collateral by the loan applicant, the method comprising steps of:

(a) checking whether or not all required credit and lending criteria, except for valuation of the property, are satisfied, wherein, if not satisfied, the loan application can be denied or returned to the applicant thereof (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67)., and wherein, if satisfied, the following step (b) is carried out (b) carrying out the method according to claim 1. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

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As per claim 12, Lloyd discloses wherein the step (b) further comprises a step of scrutinizing the value of the property when the requested loan amount is not within the Loan ;n to further determine whether the application can be approved. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 13, Lloyd discloses wherein a conventional appraisal of the property is used in scrutinizing the value of the property. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 14, Lloyd discloses where a real property is presented as collateral by the loan applicant, the system comprising:

- (a) means for inputting the loan application into the system, the loan application containing the address of the real property(see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67)
- (b) means for providing the address of the property to an automated valuation model (AVM) system, the AVM system being capable of producing and returning valuation data for a real property in response to the provision of the address thereof;
- (c) means for receiving valuation data for the corresponding property from the AVM system(see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67)
- (d) means for determining a LoanCap for the corresponding property by applying a pre-determined lending policy to the valuation data and information provided in the loan application, the lending policy having been pre-set in the system;
- and (e) means for comparing a requested loan amount in the loan application to the LoanCap, wherein, when the requested loan amount is within the LoanCap, the loan application can (,e approved. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 15, Lloyd discloses wherein the address of the property is provided to a plurality of AVM systems, each of which returns independent valuation data for the corresponding property. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 16, Lloyd discloses wherein the LoanCap determining means includes:

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(a) means for determining a property ValueCap by using the valuation 10 data and the information provided in the loan application (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67) and (b) means for determining a primary LoanCap by multiplying the property ValueCap by a pre-determined LTVCap, the primary LoanCap being able to be used in the comparing means (e). (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 17, Lloyd discloses wherein the property ValueCap is determined as the least value among (a) a declared property value provided in the loan application, (b) a high value limit of property included in the valuation data provided by the AVM system, and (c) a preset value which is determined according to the lending policy. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 18, Lloyd discloses wherein the preset value is determined depending on the geographic area of the property. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 19, Lloyd discloses wherein the pre-determined LTVCap is determined as a preset maximum limit which is determined depending on the lending policy and the information provided in the loan application. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 20, Lloyd discloses wherein the predetermined LTVCap is determined as a conservative value through further consideration of each one or combinations of the following: (a) a transaction type provided in the loan application, (b) the geographic area of the property, (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67). (c) a neighborhood sales activity included in the valuation data, (d) a neighborhood historical high sales price included in the valuation data, (e) a market variance included in the valuation data, or (f) a difference between a declared property value provided in the loan application and a property value included in the valuation data. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 23, Lloyd discloses wherein the LoanCap determining means (d) further includes means for determining a worst case LoanCap by s considering a

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possible default situation on the loan and associated net loss therewith, the worst case LoanCap being able to be used in the comparing means (e). (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 22, Lloyd discloses wherein the LoanCap determining means (c) further Includes means for determining a secondary LoanCap as the 10 least value among the primary LoanCap and the worst-case LoanCap, the secondary LoanCap being used in the comparing means (s). (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

As per claim 23, Lloyd discloses wherein the secondary LoanCap is determined as the least value among the primary LoanCap, the worst-case LoanCap, and a preset maximum LoanCap which is determined according to the lending policy. (see column 4 lines 46-64 and column 5 lines 30-67 and column 6-12 lines 1-67).

#### Conclusion

3 The prior art of record and not relied upon is considered pertinent to Applicants disclosure.

Brenrent (US 5,774,873 Patent ) teaches electronic online motor vehicle auction and information system.

Shintani (US Patent 5,668,591) teaches information terminal apparatus that is remotely programmed by radio waves and that displays input keys of program functions on a display.

Brown (US Patent 5,794,219) teaches method of conducting an online auction with bid pooling.

4. Applicant's arguments filed 1/6/2006 has been fully considered but they are moot in view of new grounds of rejections.

5. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Clement B Graham whose telephone number is 703-305-1874. The examiner can normally be reached on 7am to 5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 703-308-0505. The fax phone numbers




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for the organization where this application or proceeding is assigned are 703-305-0040 for regular communications and 703-305-0040 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-3900.

CG

July 10, 2006

  
FRANTZY POINVIL  
PRIMARY EXAMINER  
*AU 3628*